



Press Release

Wednesday, August 7, 2013: 1400 EST

Montreal, Maine & Atlantic Files for Bankruptcy In Canada & the U.S.

Montréal, August 7, 2013 - Montreal, Maine & Atlantic Canada Co. ("MMA Canada") announces that it has filed a petition seeking relief under the *Companies' Creditors Arrangement Act* ("CCAA") in the Superior Court of Québec in Montréal. Simultaneously, Montreal, Maine & Atlantic Railway, Ltd. ("MMAR") has filed for protection under Chapter 11 of the United States Bankruptcy Code by filing a case in the U.S. Bankruptcy Court for the District of Maine.

MMA Canada also announced that Richter Advisory Group agreed to act as the Court Appointed Monitor of the Canadian company.

Edward Burkhardt, Chairman of the Board of both companies, said, "It has become apparent that the obligations of both companies now exceed the value of their assets, including prospective insurance recoveries, as a direct result of the tragic derailment at Lac-Mégantic, Québec on July 6th, and a process under Chapter 11 and the CCAA is the best way to ensure fairness of treatment to all in these tragic circumstances". Furthermore, he stated that "MMA wishes to continue to work with the Québec Ministry of the Environment, the municipality of Lac-Mégantic, and other government authorities in the continuing environmental remediation and clean-up as long as is necessary, and will do everything within its capacity to achieve completion of such goal."

The company further advises that essential rail services will continue at all stations in Québec, Maine and Vermont subsequent to the Court filings (with the exception of Lac-Mégantic itself), and that service to industries at Lac-Mégantic could be restored as soon as the authorities allow such service and to the level that they consider appropriate. The companies currently employ 85 people. Employees of both companies who provide continued services will receive their wages and benefits under the laws of both the United States and Canada.

The CCAA and Bankruptcy filings will provide the proper structure to permit the companies to serve customers, to preserve well-paying jobs, to provide for the payment of post-filing obligations, and to ensure that all creditors are treated equitably and in accordance with well-established laws. Both companies are committed to preserving going-concern value and to maximizing the recoveries available to creditors.

"MMA wishes to thank first responders and other personnel for their tireless efforts under the most difficult of conditions in the wake of the tragic accident," Mr. Burkhardt said. "We also salute the

governmental leadership who responded to the tremendous challenges brought by such a catastrophe. Additionally, I want to thank the many MMA people and contractors who have worked tirelessly in the aftermath of this disaster, and who remain on site engaged in clean-up and environmental remediation.”

Mr. Burkhardt again expressed his deepest and most sincere sympathy for the families and all those that have been affected. He added “The people of Lac-Mégantic have suffered a great deal over the last month. We are joined in sorrow, a sorrow that will remain a part of me for the rest of my life.”

As this now becomes a Court matter, the release of further statements will be regulated by the speed with which the proceedings yield public information.

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